# Labour Market Notes

## Public sector job gains offset private sector losses

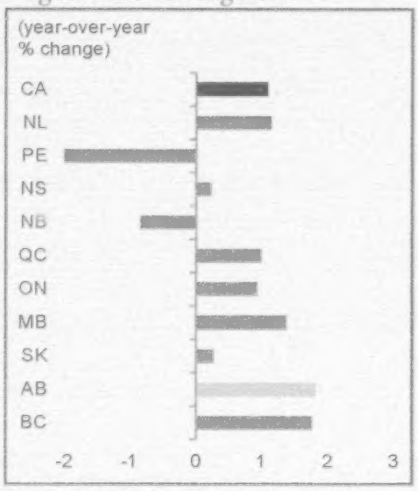
## Alberta

- Employment ticked up after three months of declines. Alberta employment increased by 4,700 in August, following a total loss of 15,700 from May to July.
- Public sector supports gains. Public sector employment increased by 12,900 in August, the third straight month of increases. Private sector employment, on the other hand, continued to fall (-7,100 in August). Self-employment also declined (-1,300) in August. There were gains in full-time employment (+8,200) for the second straight month, but part-time employment fell (-3,500).
- Service sector employment gains offset goods sector losses. Employment gains were concentrated in the service sector (+14,600), while goods sector employment fell by 10,100. Trade (+6,100) and public administration (+5,700) posted the largest gains, while manufacturing (-5,900), and professional, scientific and technical services (-4,100) posted the largest losses.
- Unemployment rate holds at 6.0%. Alberta's unemployment rate in August was unchanged at 6.0% from July. This was due to similar increases in employment and the labour force. The unemployment rate is still 1.5 percentage points higher than in January.
- Positive employment growth. Year-over-year (y/y) employment growth was 1.8%, due to a sharp decline in employment last August. Despite year-over-year growth, employment in August remained near December 2014 levels.
- Earnings growth falls negative in June. Average weekly earnings fell for the fifth straight month to $1,150 in June. Year-over-year growth in earnings declined by 0.1%, the first negative growth in almost 20 years. Service sector earnings growth (+1.5% y/y) was not enough to offset the 1.1% y/y decline in goods sector earnings. Year-to-date, Alberta earnings are up 1.5%.

## Canada

- Canadian employment up again. Canadian employment was up 12,000 in August. Gains were concentrated in the western provinces, led by Alberta and Saskatchewan (+4,000). Ontario (-3,900) and Quebec (-2,000) posted losses. Canada has added 193,300 jobs since August 2014, a 1.1% y/y gain.
- Unemployment rate ticks up. The Canadian unemployment rate went up 0.2 percentage points to 7.0%, after holding steady for six straight months.
- Earnings growth jumps in June. Canadian average weekly earnings grew by 0.8% to $955 in June. Year-over-year growth was 1.9%, the lowest growth since September 2013. Year-to-date, Canadian earnings are up 2.3%. All provinces except Alberta and Newfoundland and Labrador experienced month-over-month gains in earnings.

Employment Growth by Province, August 2015 vs. August 2014




Source: Statistics Canada

Alberta Labour Market Indicators

| Indicator | Latest* |
|---|---|
| Employment | 2,302,900 |
| month-over-month change | +4,700 |
| year-over-year % change | 1.8% |
| Alberta Unemployment Rate (UR) | 6.0% |
| Edmonton UR** | 5.5% |
| Calgary UR** | 6.6% |
| Participation Rate | 72.8% |
| Average Weekly Earnings (AWE) | $1,149.61 |
| year-over-year % change | -0.1% |
| Average Hourly Wage | $29.16 |
| year-over-year % change | 3.6% |
| Job Vacancy Rate*** | 1.8% |

Source: Statistics Canada

* All data is from the Labour Force Survey for August 2015, except AWE which is the June 2015 Survey of Employment, Payrolls and Hours, and the job vacancy rate is for May 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

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Treasury Board and Finance
**Economics and Revenue Forecasting**

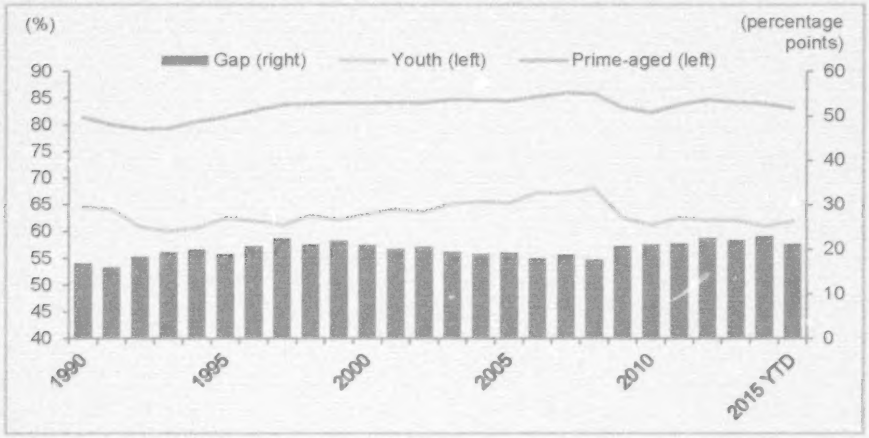
# Trends in Alberta's youth employment

*Employment among youth has risen much more slowly than the prime aged working population. This month's Labour InSight examines recent trends in youth employment.*

## Alberta youth employment recovers slower than prime-aged

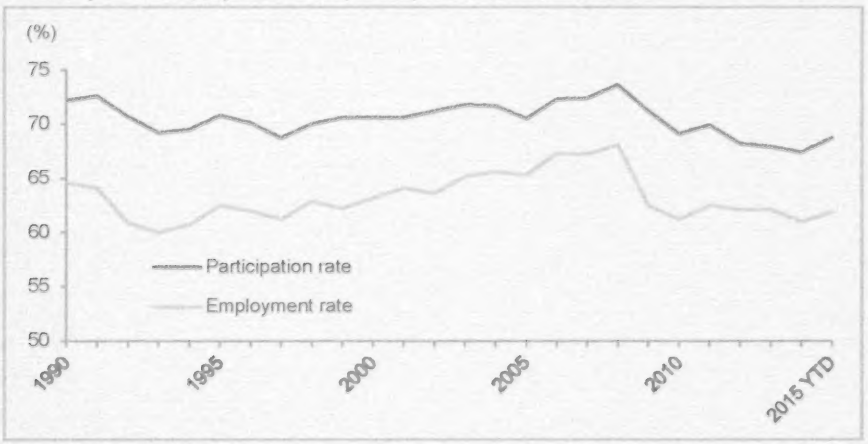
The employment rate of youth has lagged the rate of prime-aged workers. Between 2009 and 2014, youth employment grew very little, while employment for prime-aged workers grew by over 11%. As a result, the gap in the employment rates between the two age cohorts in 2014 was its widest in 25 years (Chart 1). Additionally, the Alberta youth unemployment rate peaked and recovered more slowly than prime-aged workers. In 2014, it increased 1 percentage point, in contrast to the stable rate of prime-aged workers.

Chart 1: Employment rates for Alberta's youth & prime-aged workers diverge
Alberta youth and prime-aged employment rates, annual




**Source:** Statistics Canada

Chart 2: Alberta's youth employment and participation rates trend down
Alberta youth employment and participation rates, annual




**Source:** Statistics Canada

## Declining youth participation

One of the main factors in the declining youth employment rate after the 2008-09 recession was youth participation in the work force. Between 2008 and 2014, the participation rate of youth in the labour force declined to its lowest rate in 25 years (Chart 2). The gap in participation rates between youth and prime-aged workers widened to its largest level over the same period. Several studies suggested the declining participation rate was related to youth returning to school after the recession. In addition, there were more high skilled prime-aged workers available during this period, possibly squeezing out youth.

## Diverging from Canada lately

Although Alberta youth participation and employment rates are higher compared with Canada, the trends in youth employment generally follow those at the national level. In 2014, however, Alberta experienced a divergence. Youth employment increased, but youth participation also picked up, causing the unemployment rate to rise.

## Alberta labour market shifting

As current economic conditions in the province continue to deteriorate, the labour market has softened. Job prospects have weakened, and the unemployment rate has increased for both youth and prime aged workers.

Have a question or idea for Labour InSight? Send us an *email*.

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